

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON APPROPRIATIONS

Call to Order: By **CHAIRMAN STEVE VICK**, on March 22, 2001 at 3:00 P.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Rep. Steve Vick, Chairman (R)
Rep. Dave Lewis, Vice Chairman (R)
Rep. Matt McCann, Vice Chairman (D)
Rep. John Brueggeman (R)
Rep. Rosalie (Rosie) Buzzas (D)
Rep. Tim Callahan (D)
Rep. Edith Clark (R)
Rep. Bob Davies (R)
Rep. Stanley Fisher (R)
Rep. Dick Haines (R)
Rep. Joey Jayne (D)
Rep. Dave Kasten (R)
Rep. Christine Kaufmann (D)
Rep. Monica Lindeen (D)
Rep. Jeff Pattison (R)
Rep. Art Peterson (R)
Rep. Joe Tropila (D)
Rep. John Witt (R)

Members Excused: None.

Members Absent: None.

Staff Present: Paula Broadhurst, Committee Secretary
Taryn Purdy, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Executive Action: HB 577, HB 640

EXECUTIVE ACTION ON HB 577

Motion: REP. MCCANN moved HB 577 BE AMENDED. Amendments were presented **EXHIBIT**(aph65a01) .

Discussion:

Larry Fasbender, Deputy Director, Department of Justice, gave a brief explanation of the amendments.

Steve Tesinsky, Administrator, Information Technology Services, Department of Justice, explained the change to the original proposal. He said it focused primarily on delivering a new motor vehicle titling system within the next biennium.

REP. JOE TROPILA asked if the security interest, liens against the title, would be filed with the county clerks or with the state of Montana. **Steve Tesinsky** said it would be filed with the state.

REP. ROSIE BUZZAS asked if this was originally funded with the \$2 fee. **Larry Fasbender** answered yes.

REP. BUZZAS asked if this was a loan and if the lien filing fee changed to \$8. **Larry Fasbender** said when banks filed the liens they were responsible for paying the charges assessed.

REP. STANLEY FISHER asked if this was a bill they had looked at in a sub-committee. **Larry Fasbender** answered no. He added the legislation they researched was for the \$20 million upgrade for the entire system.

REP. FISHER asked if the \$8 fee was for a lien release. **Larry Fasbender** explained they looked at adding a \$2 lien release fee and they felt it would be easier not to do that, but instead raise the lien filing fee.

REP. FISHER asked if they were going to pass it along to the purchaser. **Larry Fasbender** said it was up to the lending institution.

REP. TROPILA said the lien filing fees were paid to the county clerks and he asked if that meant they were going to collect money for the state. **Larry Fasbender** said the first \$4 would stay in the county and the second \$4 would go to the state.

REP. TROPILA asked who collected the \$8 fee, if it was the county clerk and recorder. **Larry Fasbender** believed that would be the case.

REP. MATT MCCANN believed the county clerk would collect the \$8 and keep half of it and send the other half to the state. **Larry Fasbender** answered yes.

REP. JOEY JAYNE asked how many liens were filed per year. **Larry Fasbender** said to divide 8 into the \$600,000 and that would give the number of liens filed.

CHAIRMAN STEVE VICK said they needed to make an adjustment in the amendment because it appeared to be written for all of the \$8 to go to the Motor Vehicle Information Technology System. **Larry Fasbender** said they could change that, if needed.

Jane Hammon, Office of Budget & Program Planning, said the language needed to be changed.

CHAIRMAN VICK explained if they adopted the amendments the intent would be for the \$4 to go into the general fund and the additional \$4 would go to the technology account.

REP. TROPILA added the language also needed to be changed pertaining to where the money was paid.

Vote: Motion carried 15-3 with **REP. JAYNE**, **REP. KASTEN** and **REP. TROPILA** voting no.

Motion: **REP. MCCANN** moved HB 577 DO PASS AS AMENDED.

Discussion:

REP. MCCANN referred to page two and addressed the acquisition of the video gambling data collection units.

CHAIRMAN VICK asked if the same type of loan was being used from the Board of Investments to purchase the video gambling data collection units. **REP. MCCANN** answered yes.

CHAIRMAN VICK asked how they loan would be paid off. **REP. MCCANN** said it would be included within the base budget over the next five years.

REP. ROSIE BUZZAS said it looked as if they were getting less for the money in the titling system. **Larry Fasbender** explained the lien fee and acknowledged the program costs were being added.

REP. MCCANN said it would cost more money over time, but this was the most acceptable situation.

REP. JEFF PATTISON asked what the new system was called. **Larry Fasbender** said they needed to research what other states had done to find the best system.

CHAIRMAN VICK asked how much money was needed on the video gambling portion. **Gene Huntington, Administrator, Gambling Control Division**, said from the 1999 Legislative Session in HB 2 they were appropriating the beginning of a four year commitment to pay for the system. He added it would be approximately \$380,000 per year and they were asking for up to \$1.2 million, the maximum that could be borrowed.

CHAIRMAN VICK explained it would only increase the lending authority. **Gene Huntington** explained the lending authority.

REP. MCCANN asked how much lending authority existed at the Board of Investments. **Gene Huntington** didn't not have an answer for this question, but would try to obtain the information.

CHAIRMAN VICK asked if a sunset needed to be added to the entire bill after ten years. **Larry Fasbender** did not see a problem with the issue, and added there was already a fee.

Substitute Motion: **REP. VICK** made a substitute motion adding a conceptual amendment to sunset the new portions of the bill.

Discussion:

Jane Hammon asked for clarification of the conceptual amendment. **CHAIRMAN VICK** said the intent was to sunset only the new portions.

REP. MCCANN asked for the fee with the sunset. **Larry Fasbender** explained where to locate it within the bill.

REP. MCCANN didn't see the lien fee going away and he wanted to see that happen.

CHAIRMAN VICK asked if a sunset was added to the new language would they have to sunset the fee. **Taryn Purdy, Legislative Staff**, answered yes.

Vote: Substitute Motion carried 17-1 with **REP. JAYNE** voting no.

{Tape 1; Side B}

Vote: Motion to do pass as amended carried 14-4 with **REP. DAVIES**, **REP. JAYNE**, **REP. KASTEN** and **REP. PATTISON** voting no.

EXECUTIVE ACTION ON HB 640

Motion: REP. VICK moved HB 640 BE AMENDED. Amendments HB064001.agp were handed out **EXHIBIT (aph65a02)**.

Discussion:

CHAIRMAN VICK said the first amendment attempted to allow the state to be the default supplier of energy if the need arises. The second amendment HB064001.agp **EXHIBIT (aph65a03)** changed the allowance to 9 1/2% for the cost of capital, the current PSC ruling. The amendment also allowed a consumer to change their supplier with a 90 day notice.

REP. CHRISTINE KAUFMANN expressed a concern about the bill and thought it should be referred to the energy committee. She felt her lack of knowledge hindered her ability to make a decision about this type of bill.

CHAIRMAN VICK felt the committee could deal with this type of bill and the background of the bill was explained to them in a reasonable way.

REP. MONICA LINDEEN asked if it would be possible for the sponsor to put together a fact sheet outlining the bill. She also asked if a fiscal note would be available.

CHAIRMAN VICK Withdrew his motion on the first amendment. He pointed out the second amendment and instructed the committee to review it and talk it over to gain a better understanding.

REP. LINDEEN asked what determines the amount of general obligation bonds the Board of Investments could issue. **Taryn Purdy** said only the legislature can authorize the creation of debt and they would have to authorize it by a two thirds vote.

REP. LINDEEN asked if when the state incurred the debt, would it add collateral. **Taryn Purdy** said general obligation bonds were essentially based on full faith and credit of the state and interest payments were made before anything else.

CHAIRMAN VICK added they were usually dependent upon the revenue system. He said the reason **REP. LEWIS** wanted to use bonding rather than board money was because they could borrow money for less than they earn on investments.

ADJOURNMENT

Adjournment: 5:00 P.M.

REP. STEVE VICK, Chairman

CECILE M. TROPILA, Transcriptionist

SV/PB

EXHIBIT (aph65aad)